

27 September 1950

MEMORANDUM: TO THE FILES

SUBJECT: Taxation - Overseas Allowances

1. In a telephone conversation this date with Mr. Parrigan of the Bureau of Internal Revenue, I was informed that, under Section 116(j) of the Internal Revenue Code which provides, in part, for the apparent exclusion of certain overseas allowances to civilian personnel from taxable income, as a matter of fact the Bureau has so far found that none of the allowances come within the exclusion. The question is under consideration by the office of General Counsel, Bureau of Internal Revenue, and there is apparently considerable confusion in this regard. The allowances extended to Foreign Service personnel under Title IX of Public Law 724 are specifically excluded by Section 1051 of the Act.

STATINTL

